



# Michigan *Office of the Auditor General* **REPORT SUMMARY**

## *Performance Audit*

### *Selected Community Colleges' Reporting of Activities Classification Structure Data*

Report Number:  
63-500-04

Released:  
June 2004

*The activities classification structure (ACS) was developed in response to Section 8, Act 419, P.A. 1978. Also, uniform data reporting requirements were developed for use in making State budget and appropriation decisions. Act 117, P.A. 1984, provided for a funding formula to be used to determine State aid for each community college based on ACS data. The Department of Labor and Economic Growth (DLEG) is responsible for the collection and analysis of certain ACS data.*

#### ***Audit Purpose:***

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General and was mandated by Act 146, P.A. 2003, the annual appropriations act for community colleges.

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#### ***Audit Objective:***

To assess whether colleges reported ACS data to DLEG on the ACS forms in accordance with the provisions of the annual appropriations act for community colleges (Act 146, P.A. 2003), the ACS Manual for Michigan Community Colleges, the Manual for Uniform Financial Reporting of Michigan Public Community Colleges (MUFR), and DLEG's annual instructions.

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#### ***Audit Conclusion:***

We concluded that the selected community colleges generally reported ACS data to DLEG on the ACS forms in accordance

with the provisions of the annual appropriations act for community colleges (Act 146, P.A. 2003), the ACS Manual for Michigan Community Colleges, MUFR, and DLEG's annual instructions. However, we did identify reportable conditions relating to student course enrollment data reporting, contact hour calculations and reporting, cost allocations and expenditure reporting, activity measures - energy costs, and activity measures - building footage (Findings 1 through 5).

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#### ***Agency Responses:***

Our audit includes 5 findings and 5 corresponding recommendations. We discussed our audit findings, with the management of each community college. The colleges' responses indicated general concurrence with our findings.

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A copy of the full report can be  
obtained by calling 517.334.8050  
or by visiting our Web site at:  
<http://audgen.michigan.gov>



Michigan Office of the Auditor General  
201 N. Washington Square  
Lansing, Michigan 48913

**Thomas H. McTavish, C.P.A.**  
Auditor General

**Scott M. Strong, C.P.A., C.I.A.**  
Deputy Auditor General